

# Master Service Agreement | 10061

This Master Service Agreement ("agreement") is entered into on July 14, 2010, between:

Operator: Beta Offshore  
Address: 111 W. Ocean Blvd., Suite 1240  
Long Beach, CA 90802-4645

Contractor: Waveland Services, Inc.  
Address: P.O. Drawer 592  
Eunice, LA 70535

The parties agree as follows:

## 1. Background

- A. Operator regularly and customarily enters into contracts with independent contractors for the performance of service relating to the Operator's business.
- B. Contractor represents that it has adequate equipment in good working order and fully trained personnel capable of efficiently and safely operating such equipment and performing services for Operator.

**2 Hazards:** The equipment and work areas involved in the work under this agreement are in and part of a producing oilfield offshore California and may contain hazards, including without limitation, flammable, corrosive and/or toxic liquids or gases. Contractor acknowledges that it must take extreme care in performing its work hereunder and accepts the entire risks of such hazards to the employees, tools, equipment and materials of Contractor and its subcontractors.

**3. Safety:** While performing work under this agreement, Contractor shall provide and maintain a safe working environment for, and shall adequately protect the health and safety of, the employees and representatives of Operator, Contractor, Contractor's subcontractors, and all third parties. Contractor acknowledges receiving a copy of Operator's Contractor Environmental Health and Safety Requirements, and Contractor agrees to comply with these minimum requirements, but such minimum requirements shall in no way limit Contractor's obligations to prescribe and enforce appropriate environmental, safety and health standards for the work which shall comply with all applicable federal, state and local safety and health laws and regulations. Contractor shall be solely responsible for notifying its employees, and those of its subcontractors, of all health and safety hazards to which they may be exposed, and Contractor hereby assumes the responsibility to train them in accordance with federal and state OSHA requirements and to provide all necessary protective clothes and equipment for them.

Initial:   *JS*   Date: 5-10-2010

**4. Acceptance and Period of Performance:** Execution of this agreement by Contractor, the shipment of any articles hereunder by Contractor, or the commencement of any work hereunder by Contractor shall constitute Contractor's acknowledgement that it is a party to this agreement, and Contractor's agreement to be bound by its terms. No contrary or additional terms or conditions shall apply notwithstanding any oral or written statement made by Contractor. This agreement applies to all work and/or services performed by or on behalf of Contractor for Operator. Unless otherwise provided in writing by the Contractor and Operator, this agreement shall remain in full force and effect continuously until either party cancels the agreement with a minimum of 30 days advance notice in writing to the other party.

**5. Title and Quality:** Contractor warrants the title to all articles sold and materials supplied hereunder and warrants that all articles sold and materials and work supplied hereunder are of good quality, free of any defects and in full accord with all Operator specifications. All manufacturers' warranties or guarantees shall specifically extend to Operator and shall be furnished to Operator, but such extension and furnishing shall in no way relieve Contractor of any of its obligations hereunder. Should Contractor's title to any article or material fail, or should any article, material or work, in Operator's sole opinion, not be of good quality, not be free of defects, or not conform to Operator's specifications, Contractor shall promptly replace same at Contractor's sole expense and subject to the provisions hereof. Payment or acceptance by Operator shall not constitute a waiver of the foregoing. Nothing herein contained shall be construed to exclude or limit any warranties implied by law.

**6. Taxes:** Unless otherwise provided, Contractor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on, with respect to, or measured by, the articles sold or materials or work furnished hereunder or the wages, salaries, or other remunerations paid to persons employed in connection with the performance of the work hereunder, and Contractor shall indemnify and hold Operator harmless from any liability and expense by reason of the Contractor's failure to pay such taxes, charges, or contributions. Goods purchased under the agreement may be for delivery and use on Operator's Beta Unit platforms located offshore in Federal waters. Because the State of California requires strict compliance with certain tax provisions allowing exemptions for these items, invoices and delivery documents must show a delivery address reflecting the final offshore destination to ensure compliance with state law.

**7. Compliance with Laws, Permits:** In activity connected with performance under this Agreement, Contractor shall comply fully with all applicable laws, regulations, ordinances, rules, and permits. When requested, Contractor shall furnish evidence satisfactory to Operator of such compliance, including, but not limited to laws relating to equal employment opportunity, including: Executive Order 11246 and the regulations, orders and rules issued thereunder; the Rehabilitation Act of 1973 and regulations, orders and rules issued thereunder; the Vietnam Era's Veterans' Readjustment Assistance Act of 1974, as amended, and the regulations, orders and rules issued thereunder; the Equal Opportunity Clause (41 C.F.R. 60-1.4) the Affirmative Action and Non Discrimination Clause for Individuals with Disabilities (41 C.F.R. 60-741.5); the Affirmative Action and Non-Discrimination Clause for Special Disabled and Vietnam Era Veterans (41 C.F.R. 60-250.4); Utilization of Small, Small Disadvantaged and Women Owned Small Business Subcontracting Plan (FAR 52.219.9); and other applicable sections contained in 41 C.F.R. Chapter 60.

**8. Patent Infringements:** Contractor shall defend, indemnify and hold Operator, its affiliates and subsidiaries, and their respective officers, directors, shareholders, members, managers, employees, subcontractors, consultants and agents, harmless from and against any and all loss, liability or expense by reason of any claim or suit for alleged infringement of any copyright, trademark, or patent, resulting from or arising in connection with the manufacture, sale, use or other disposition of any article or material furnished hereunder, or the performance of any work hereunder, and shall defend any such claim or suit and pay all costs and expenses incidental thereto; provided, however, that Operator shall have the right, at its option, to participate in the defense of any such claim or suit, without relieving Contractor of any obligations hereunder.

9. **Assignments and Subcontracts:** Any assignment, whether by operation of law or otherwise, of this agreement or of any claim against Operator arising directly or indirectly out of or in connection with this agreement and any subcontract of any obligation hereunder, whether by operation of law or otherwise, shall be void without the prior written consent of Operator.

10. **Default:** Notwithstanding the provisions for Condition for Excuses of Non-performance hereof, if Contractor shall fail, neglect, refuse or be unable at any time to provide ample equipment or labor to perform the work at a rate of progress deemed reasonably sufficient by Operator or, if Contractor or any subcontractor shall breach any provision hereof, shall become insolvent, enter voluntary or involuntary bankruptcy or receivership proceedings, or make an assignment for the benefit of creditors, Operator shall have the right (without limiting any other rights or remedies which it may have hereunder or by operation of law) to terminate this agreement by written notice to Contractor, whereupon Operator shall be relieved of all further obligation hereunder except only the obligation to pay the reasonable value of Contractor's prior performance. Time is of the essence hereof.

11. **Withholding of Payments:** Operator shall have the right (but no duty) to withhold any monies payable by it to Contractor hereunder and apply same to the payment of any obligations of Contractor to Operator or any other parties.

12. **Prices:** Unless otherwise specified in any applicable supplement hereto, Operator shall pay Contractor, for the complete performance of Contractor's obligations, the prices quoted by Contractor, or if there are no such prices quoted then in accordance with applicable posted or published price lists or schedules, or if there are no such lists or schedules then in accordance with the prices of Contractor in effect on the date of shipment of any article covered hereby or the date of any work performed hereunder, less applicable discounts. If this agreement is based upon a bid of Contractor as awarded by Operator, any attached schedules or rates may be changed only pursuant to any provisions for such change set forth in Operator's request for bid. Any other schedules of rates may be changed from time to time by Contractor filing revised and dated schedules of rates, in duplicate, with Operator, which revised schedules of rates, shall become effective only after written approval thereafter by Operator. Provided Operator's authorized representative has given prior approval for Contractor to furnish any item through a third party or on a subcontracted basis, Operator shall pay Contractor for same at Contractor's net cost (after applicable discounts) plus a handling charge as set forth in any applicable supplement hereto. Contractor's billings for such items shall be supported by copies of third party subcontractor invoices.

13. **Excuses for Non-performance:** Except as provided in Condition for Default hereof, either party shall be absolved from its obligations under the agreement when and to the extent that performance is delayed or prevented (and in Operator's case when and to the extent that its need for the articles, materials or work to be supplied hereunder is reduced or eliminated) by reason of acts of God, fire, explosion, war, riots, strikes, or governmental laws, order or regulations.

14. **Audit:** If any payment provided for hereunder is to be made on the basis of Contractors cost, rates or other flexible billing basis, Operator shall have the right to audit Contractors books and records pertinent thereto. Contractor agrees to maintain such books and records for a period of two (2) years from the date of invoice to Operator and to make such books and records available to Operator at any reasonable time or times within the two-year period for Operator's use in making such audits.

15. **Conflict:** Should any conflict exist between this agreement and any document attached to or incorporated in this agreement, the provisions of this agreement shall control.

16. **Applicable Law:** This agreement shall be governed by and interpreted in accordance with the laws of the State of California including all matters of construction, validity, performance and enforcement, without giving effect to principles of conflict of law.

**17. Performance:** Contractor shall diligently and carefully perform all work in a good and workmanlike manner and shall be fully responsible for all work and services performed by any subcontractors. Contractor shall conduct all operations in Contractor's own name as an independent Contractor and not in the name of, or as agent for, Operator. Operator shall have no voice in the control of Contractor's employees, representatives or subcontractors, nor shall it have any right to direct or control Contractor in the method of performance or the means of accomplishing the desired result. Contractor shall be responsible for the results.

**18. Liability and Indemnity:** Contractor shall defend, indemnify and hold harmless Operator, its affiliates and subsidiaries, and their respective officers, directors, shareholders, members, managers, employees, subcontractors, consultants and agents from and against any and all claims, demands, causes of action, damages, awards, settlements, penalties, fines, liabilities, losses, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees) ("Losses") arising from or in connection with the actions or omissions of Contractor, or Contractor's employees, agents or subcontractors (without regard to the negligence of any party or parties), including without limitation, property damage, personal injury or death. Contractor's indemnity under this agreement shall be without regard to and without any right to contribution from any insurance maintained by Contractor. In the event any action or proceeding is brought against Operator by reason of any such claim, Contractor, upon notice from Operator, shall defend it at Contractor's expense by counsel satisfactory to Operator. If it is judicially determined that the monetary limits of contractually required insurance or of the indemnities assumed under this agreement (which Contractor and Operator hereby agree with, will be supported either by available liability insurance, or voluntarily self-insured, in part or in whole) exceed the maximum limits permitted under applicable law, it is agreed that such insurance requirements or indemnities shall automatically be amended to conform to the maximum monetary limits permitted under such law. Operator shall defend, indemnify and hold harmless Contractor, its affiliates and subsidiaries, and their respective officers, directors, shareholders, members, managers, employees, subcontractors, consultants and agents from and against any and all Losses arising from or in connection with the actions or omissions of Operator, or Operator's employees, agents or subcontractors (without regard to the negligence of any party or parties), including without limitation, property damage, personal injury or death. Operator's indemnity under this agreement shall be without regard to and without any right to contribution from any insurance maintained by Operator. In the event any action or proceeding is brought against Contractor by reason of any such claim, Operator, upon notice from Contractor, shall defend it at Operator's expense by counsel satisfactory to Contractor. If it is judicially determined that the monetary limits of contractually required insurance or of the indemnities assumed under this agreement (which Contractor and Operator hereby agree with, will be supported either by available liability insurance, or voluntarily self-insured, in part or in whole) exceed the maximum limits permitted under applicable law, it is agreed that such insurance requirements or indemnities shall automatically be amended to conform to the maximum monetary limits permitted under such law. Notwithstanding any other provision in this agreement, gross negligence or willful misconduct shall not be included in any indemnity obligation. It is expressly understood and agreed that each party's gross negligence or willful misconduct shall be the sole and exclusive responsibility of the actor and his employer. It is further understood that any monetary and or property damages incurred as a result of such party's gross negligence or willful misconduct shall be the sole and exclusive responsibility of the actor and his employer.

**19. Use of Premises:** Contractor shall perform all work in such manner as to cause a minimum of interference with Operator's operations and the operations of other contractors on the premises, shall take all necessary precautions to protect the premises and all persons and property thereon from damage or injury, and shall assume responsibility for the taking of such precautions by Contractor's and any subcontractor's employees, agents, licenses, permittees and subcontractors. Upon completion of the work, Contractor shall leave the premises clean and free of all tools, equipment, waste materials and rubbish.

Initial:        Date:   5/21/10   -4-

**20. Payments of Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials, tools and equipment furnished by Contractor and any subcontractors in the performance of this agreement. Before Contractor shall be entitled to receive payment, Contractor shall, when requested by Operator, furnish evidence satisfactory to Operator of the full payment of such indebtedness. Contractor shall not permit any lien or charge to attach to the work or the premises upon which the work is being performed. Should any lien attach, Contractor shall promptly procure its release and shall indemnify Operator for all loss, cost, damage, fees, or expense incidental thereto.

**21. Changes in Work:** Changes in the work may be required from time to time by Operator. Should changes be so required, they shall not be commenced until Contractor is given written instruction from Operator which shall specify the changes, the sums (or the method of determining the sums) to be added to or subtracted from the agreed price as a result of such changes, and the effect, if any, of such changes on the completion or delivery dates. Should Contractor dispute any of the provisions of the instructions it shall notify Operator within forty-eight (48) hours and the parties shall settle their differences by negotiation.

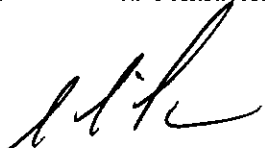
**22. Insurance:** At all times during the term of this agreement, Contractor shall carry insurance in accordance with the attached Insurance Coverage Requirements. All such insurance shall be evidenced by the completion, execution and delivery to Operator of an Insurance Certificate.

**23. Invoicing and Payment:** Contractor shall promptly prepare and submit invoices according to the terms and conditions of the attached Invoicing and Payment Requirements.

**24. Recovery of Litigation Costs:** In any legal action, arbitration or alternate dispute resolution proceeding based upon or concerning this agreement, the successful or prevailing party shall be entitled to recover its actual attorney fees and costs incurred in that action or proceeding, in addition to all other relief to which it is entitled, regardless of whether the proceeding is concluded by settlement, award or judgment.

Waveland Services, Inc.

Printed Name of Contractor



E. Ed Caswell, II - President

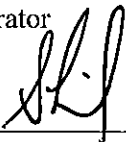
Signature of Officer of the Contractor

May 10, 2010

Date

Beta Offshore

Printed Name of Operator



Signature of Officer of the Operator

7-14-10

Date